1989 offers to disclose black money as reported in the Economic Times of 19th June, 1997;

(b) if so, the details of achievements under the scheme of 1975 and 1989;

(c) what quantum of black money was disclosed separately under two schemes;

(d) what quantum of money Government think is likely to be disclosed under the VDIS 1997; and

(e) the details of methods likely to be used for the successful achievement of scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) As of now, no other scheme for disclosing Black Money is under consideration of the Government.

(b) and (c) The Voluntary Disclosure of Income & Wealth Ordinance, 1975 (later promulgated as Act of 1976) resulted in total disclosure of wealth of Rs. 841.72 crores and income of Rs. 746.07 crores. No voluntary Disclosure scheme was announced in 1989.

(d) The VDIS scheme of 1997 is likely to mop up substantial amount of black money for productive purposes.

(e) The Government has undertaken wide publicity of the scheme so that public at large is kept informed about the salient features of the scheme.

Inspection of NBFCs

725. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have undertaken inspection of non-banking finance companies;

(b) if so, the names of large and medium sized NBFCs inspected since the CRB capital market episode; and

(c) whether any irregularity has been detected as a result of the inspection and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Non-Banking Financial Companies (NBFCs) are inspected by Financial Companies Wing of Department of Supervision in the Reserve Bank of India (RBI) normally as per the inspection programme drawn by the regional offices and approved by the Central Office of RBI. According to RBI 90 NBFCs have been inspected by them during 1996-97.

(c) Wherever serious irregularities have been observed, RBI have issued show-cause notices/prohibitory orders. RBI have so far issued prohibitory orders in respect of 12 companies in 1997.

Customs duties on telecom equipment

726. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have recently imposed Customs Duties on Telecom equipment and if so, the detail thereof;

(b) whether Government had received any communication for special concession including deemed status to the domestic manufacturing industry from the Department of Telecom, and if so, the details thereof; and

(c) whether the submission of that Department was taken into consideration before impsoing the Customs Duties on telecom equipment and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Government have reduced basic custom duty on specified telecom equipment to 20% and have exempted them from additional duty of customs, vide notification 51/97- Cus dated 2.6.97. The concessional duty benefits are available if such equipment are imported by persons licensed by Department of Telecommunications for the purpose of providing basic telecom service, cellular mobile service, paging service and value added services.

(b) and (c) Finance ministry had received recommendations from Department of Telecommunication (DOT) that concessional customs duty may be provided to only those equipment which are currently not

manufactured indigenously and that customs duty on raw materials/components required for the manufacture of such equipment should also be reduced to zero in order to encourage their local manufacture. Alternatively, indigenously manufactured equipment may be exempted from excise duty and deemed export status may be given to indigenous equipment manufacturers. Further, facility of concessional customs duty may be given only to those companies which have been duly licensed by DOT.

These recommendations were taken into consideration. Accordingly, basic customs duty on specified telecom equipment listed in notification 51/97—Cus. dated 2.6.97 was reduced to 20%. These equipment were also exempted from additional duty of customs. Request for reduction of customs duties on raw materials/components of telecom equipment specified in the afore-mentioned notification is under consideration.

Collapse of CRB Group

727. SHRI GURUDAS DAS GUPTA:
SHRI GAYA SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn into the collapse of CRB Group;

(b) if so, the details thereof; and

(c) what action has been taken to see that the hard-earned investments of the small investors are protected?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The main activities of CRB Capital Markets Ltd. were hire purchase, leasing finance and merchant banking. A complaint was received in December, 1996 by RBI from Tourism Finance Corporation of India Ltd. regarding default of repayment of deposits by CRB Capital Markets Ltd. Global Trust Bank Ltd. has also reported to RBI in March, 1997 about development of Letter of Credit opened by a group Company. Further, the company fraudulently overdrew its accounts with the State Bank of India, Mumbai main Branch (MMB) for payment of interest warrants, deposit refunds and brokarage warrant by an amount of over Rs. 58 crores. Keeping in view the findings of the inspection carried out between November, 1996 to January, 1997 and the subsequent developments, especially relating to the SBI, the RBI issued prohibitory orders on April, 1997 under Section 45MB(1) &(2) of RBI Act directing the company not to accept any further deposits and not to alienate any assets without prior permission of RBI. The RBI filed a winding up petition in the Delhi High Court under Section 45 MC of the RBI Act on 21.5.97. A provisional Liquidator has been appointed by the Delhi High Court.

The developments relating to CRB Capital Markets Ltd. have been reviewed by the Government in a number of meetings. Government has asked the regulators, i.e. RBI and SEBI to undertake a thorough internal review of the regulatory actions in regard to these companies to see if there have been any lapses in application of regulations to CRB group of companies or in responding to warning signals, so that these deficiencies can be corrected. Government has also advised the State Bank of India to ascertain whether there was any internal failure to act on early warning signals emanating from the defaults in the payment arrangements with CRB capital Markets Ltd. At the operative level an inter-departmental group comprising representatives of CBI, RBI, SBI and State Government has been constituted to ensure concerted action. RBI has also issued detailed instructions to banks prescribing the procedural safeguards to be taken into account while providing "at par" payment facilities to companies.

(c) The provisional Liquidator has initiated steps to crystalise the assets and liabilities of the Company. The issue of settlement of claims of creditors is subjudice and would proceed as per the provisions of law and directions of the Delhi High Court.

Features of VDIS

728. SHRI GAYA SINGH:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have launched a